



March 31, 2010

Jennifer J. Johnson
Secretary, Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

Re: Comments on Regulation E; Docket No. R-1343

Dear Ms. Johnson:

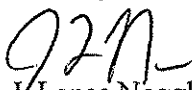
I am writing on behalf of the State Department Federal Credit Union (SDFCU) in response to the Federal Reserve Board's (Board) request for comment on amendments to Regulation E. We appreciate the Board affording SDFCU the opportunity to comment on this important topic. We only suggest a simple modification to the opt-in confirmation process that will benefit both consumers and financial institutions by simplifying the implementation of these new requirements.

We feel the opt-in confirmation notice is unnecessary because it does not benefit consumers or provide consumer protection. Consumers must affirmatively consent or opt in to their financial institutions' overdraft protection programs to receive overdraft protection. A consumer that opts in knows that he or she will receive overdraft protection and is subject to the rules of the program. The confirmation does nothing more than notify a consumer that a financial institution has received an opt-in. There is minimal protection or value from this requirement because overdraft fees can be assessed before a confirmation is received, which nullifies any possible benefit from this requirement.

The opt-in process should be modified to eliminate the confirmation requirement or, at the very least, modified where fees can be assessed before a confirmation is sent. There is no true relation to this requirement and consumer protection because the notification notifies consumers about something that they already know. Thus, the requirement in any form represents an unnecessary burden and, moreover, provides no consumer protection or benefit.

SDFCU appreciates the Board allowing comment on the proposed amendments to Regulation E. Please contact me should you have any questions or want to discuss this comment.

Best regards,


J. Lance Noggle

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